

**Proposition 1A**

Safe, Reliable High-Speed Passenger Train

Bond Act.

Assembly Bill No. 3034 CHAPTER 267

Sponsor: Galgiani.

August 27, 2008

FINAL

**BALLOT TITLE AND SUMMARY**

**SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT.**

- Provides long-distance commuters with a safe, convenient, affordable, and reliable alternative to driving and high gas prices.
- Reduces traffic congestion on the state's highways and at the state's airports.
- Reduces California's dependence on foreign oil.
- Reduces air pollution and global warming greenhouse gases.
- Establishes a clean, efficient 220 MPH transportation system.
- Improves existing passenger rail lines serving the state's major population centers.
- Provides for California's growing population.
- Provides for a bond issue of \$9.95 billion to establish high-speed train service linking Southern California counties, the Sacramento/San Joaquin Valley, and the San Francisco Bay Area.
- Provides that at least 90% of these bond funds shall be spent for specific construction projects, with federal and private sector matching funds required.
- Requires that use of all bond funds is subject to independent audits.
- Appropriates money from the General Fund to pay bond principal and interest.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- State costs of about \$ 19.4 billion, assuming 30 years to pay off both principal (\$9.95 billion) and interest (\$9.5 billion) costs of the bonds. Payments of about \$647 million per year.
- When constructed, additional unknown costs, probably in excess of \$1 billion a year, to operate and maintain a high-speed train system. The costs would be at least partially, and potentially fully, offset by passenger fare revenues, depending on ridership.

**SUBJECT TO COURT  
ORDERED CHANGES**